

MARYLAND COMMUNITY REVITALIZATION INCENTIVES

A Review of Maryland Tools and National Best Practices for investing in great places for people to live, work and prosper.

The report will address the following two recommendations of the Task Force for the Future of Growth and Development in Maryland as published in its December 2008 report, "Where Do We Grow From Here?"

R-39: As a Focus Area for the next phase of the Task Force's work, the Task Force will review, categorize, and assess the State's existing revitalization incentives. The Task Force will also review best practices and ideas from (competing) jurisdictions and around the country and recommend additional incentives that are cost-effective and economically efficient, yielding an acceptable return on the State's investment. A report should be produced by the Task Force by July 1, 2009.

R-40: As part of its work under recommendation 9(A) above, the Task Force will focus on revitalization incentives directed at supporting the location of small businesses in revitalization areas.

A DHCD team has developed the following draft outline for the scope of the report:

I. Review, Categorize and Assess the State's existing Revitalization Incentives

A. Introduction: A little background, including a brief overview of the framework for investing in targeted revitalization areas ("Designated Neighborhoods," etc.)

B. What are Maryland's Key Revitalization Incentives?

--Overview: What areas are addressed (historic preservation; small business development; core business district development; etc.)

--A very brief summary of mission/purpose of each.

1. Maryland-funded incentives - (programs which State agencies have the most influence over in terms of policy and strategic focus):

- Maryland Rehabilitation Tax Credit (MHT/MDP)
- Local Government Infrastructure Finance Program (DHCD)
- Community Legacy (DHCD)
- Neighborhood BusinessWorks (DHCD)
- Main Street Maryland (DHCD)
- Smart Codes," officially called "Maryland Rehabilitation Code"
- Place-based Mortgage Programs such as the former Live Near Your Work and the current "Smart Keys for Employees" (DHCD)
- Energy Efficiency programs that could be place-focused (MEA)

- Arts & Entertainment Districts (DBED)
 - BRAC Zones (DBED)
 - Enterprise Zones and Brownfields (DBED)
 - TOD-related incentives (MDOT)
2. Federally-funded incentives: *(programs which State agencies have some but less influence over in terms of policy and strategic focus):*
- Community Development Block Grants (DHCD)
 - State Highway Enhancement Funds (MDOT)
 - Federal Rehab Tax Credit
 - CDFI matching funds & New Market Tax Credits
 - Rural infrastructure and community economic development funds (USDA)
3. Selected examples of good locally supported incentives or strategies:
-- for instance, "mixed-use zoning overlays" and other zoning strategies to help focus revitalization in target areas.
- C. The State's Tool kit for Revitalization: What's working? What's not working? What "categories" of community investment are addressed? *(Some available assessment resources are noted)*

1. Maryland Funded Incentives:
- Maryland Rehab Tax Credit (MHT has a recent Abell Foundation report)
 - Local Government Infrastructure Finance Program (DHCD has done research on national best practices already in this area in preparation for offering legislation.)
 - Community Legacy (UMD Smart Growth Center report was completed last summer focusing on 6 case study CL areas and made recommendations)
 - Neighborhood BusinessWorks (UMd report was supposed to incorporate a review of NBW program, but the report mainly focused on Community Legacy. A separate review is needed and might be the best focus for/use of consulting funds, if available.)
 - Community Investment Tax Credit (A brief review of "competing" jurisdictions – PA and VA – was done prior to Session prior to crafting the Department's enhancement bill)
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- Main Street Maryland:
 - "Smart Codes"
 - Place-based mortgage programs such as the former LNYR and CDA's Smart Keys for Employees.

- MEA Energy efficiency programs that could be place-focused (may be too early to address "what's working")
- Arts & Entertainment Districts (*DBED did an assessment about one year ago*)
- BRAC Zones, probably too early to assess (DBED)
- Enterprise Zones and Brownfields? (DBED)

2. Federally funded incentives

3. Local Incentives

D. What's missing? What new incentives are needed to address unmet needs or unrealized opportunities?

II. National best practices, including those from surrounding states

A. Summary of revitalization "gaps" identified above? Examples include:

1. Greyfields
2. Helping seniors age in place and stabilizing communities/NORC's
3. Incentives for Green Community Investment
4. Expanded affordable community development financing (and getting matching federal funds from Treasury) through a statewide CDFI
5. More will surface from the review in I.

B. Sources of best practices, including national associations:

- COSDA (John Greiner)
- NAHRO (John Greiner)
- NACED (CarolG)
- Harvard School of Gov't/Innovations (Carolyn Varney-Alvarado)
- NSHA (EliseR)
- National Governor's Association (CarolG)
- Colleagues in other States (Kurt)

III. Recommendations